

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6976

BILL NUMBER: SB 334

NOTE PREPARED: Jan 2, 2013

BILL AMENDED:

SUBJECT: Licensing of Electricians.

FIRST AUTHOR: Sen. Kruse

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Electricians Licensing Board*- The bill establishes the Electrician Licensing Board (ELB).

Licensing of Electricians- The bill establishes licensing requirements for electricians.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary*- It is estimated the impact of this provision on Professional Licensing Agency (PLA) expenditures would be approximately \$20,300 per fiscal year. Approximately \$8,000 would be for ELB expenditures, and approximately \$12,300 would be for the PLA to process electrician licenses.

Licensing of Electricians- The PLA would provide the administrative staff for the ELB. Electrician license administration would likely be assigned to one of the four existing work groups within the PLA for nonmedical professions. The four work groups are currently responsible for the administration of approximately 178,000 active nonmedical professional licenses and certifications. The average annual salary cost per license within these groups is \$3.89. Using the \$3.89 average multiplied by approximately 12,600 potential new licenses would equate to a salary cost of approximately \$49,000 quadrennially. An additional 12,600 licenses would represent an increase of 7% in nonmedical license processing for the PLA.

It is possible, with a potentially large number of persons seeking licensure, additional PLA staff may be necessary. As an example only, an additional COMOT III to process licenses would require \$40,707 in

expenditures during FY 2014. The amount includes salary, fringe benefits, and indirect costs associated with establishing the position.

Electricians Licensing Board- The following table illustrates the estimated annual cost of the proposed board based on four meetings per year.

Expense	Estimated Amount
Per Diem & Subsistence*	\$2,490
Mileage**	\$2,460
Mailing and Packet Preparation	\$350
Staffing Cost***	\$2,665
Printing/Seals	\$100
ANNUAL TOTAL	\$8,065
* Assumes all members are not state employees and would receive subsistence. ** Calculated with an average round trip to board meetings of 100 miles. *** Average staff cost for a full-day meeting among nonmedical work groups multiplied by four meetings.	

Attorney General- Additionally, the ELB would be able to call on the Attorney General to act as legal adviser to the ELB and provide any legal assistance necessary to carry out the bill.

Background Information: PLA Staffing- As of December 3, 2012, there were two staff positions vacant within the four PLA nonmedical work groups. The salary value of these positions is approximately \$45,500.

Board Membership- The ELB would have seven members. Members would be appointed by the Governor. Initial appointments would be made not later than January 1, 2014. One member would have a four-year initial term. Two initial members' terms would last three years, another two initial members' terms would last two years, and the final two initial members' terms would last one year.

Explanation of State Revenues: Summary: The ELB would set fees for the licensure of electricians. The increase to state revenues would depend on the fee set and the number of persons seeking licensure. There were about 12,600 persons employed as electricians in Indiana during 2011. If all 12,600 were licensed at a quadrennial fee of \$50, which is similar to the fees charged to several nonmedical professionals, the revenue generated would be approximately \$630,000 over a four-year licensure period.

Depending on the number of persons that may apply for licensure under the bill, fees could be set by the proposed ELB to cover license administration and board costs. If the quadrennial fee was set to cover the board and salary cost to process about 12,600 licenses, the fee would be approximately \$6.45.

Civil Court Fees- The ELB would have the power to investigate improprieties committed by license holders

and would have the ability to file suit in a circuit court to seek a ruling to enjoin a violator from continuing in their practice. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. Additional fees are applicable and are placed in the state General Fund (See: *Criminal Penalty Fees*). Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Criminal Penalty- The bill would establish a Class B misdemeanor on individuals that knowingly and intentionally perform electricians' work without a state license, present another person's license as their own, mislead the ELB, impersonate a licensee, use an expired, suspended, or revoked license, or commit another violation under the bill. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit or superior court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the automated record keeping fee (\$5), judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

Explanation of Local Expenditures: *Criminal Penalty-* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay the following fees that are deposited in local funds.

The document storage fee (\$2) is deposited into the clerk record perpetuation fund.

The following fees are deposited into the general fund of the county in which the court is located:

- Document fees (\$1 per document) are charged for preparing transcripts or copies of record or certificate under seal.
- Service fee (\$10) collected from the filing party for each defendant beyond the first cited in the lawsuit.

Criminal Penalty- If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Persons found guilty of a felony or misdemeanor are also required

to pay the document storage fee (\$2), which is deposited into the clerk record perpetuation fund, and the jury fee (\$2) and the law enforcement continuing education fee (\$4), which are both deposited in the county user fee fund.

State Agencies Affected: Professional Licensing Agency; Attorney General.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Professional Licensing Agency; U.S. Department of Labor, OES May 2011 Statistics.

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